Canada

ECONOMY. The Canadian economy has performed relatively well during the past several years. High growth rates in the latter half of the 1990s led to declining unemployment and increasing personal consumption. Low inflation has helped translate economic growth into real income gains for consumers. Canada's economy was among the strongest during the downturn in 2001 and its 1.5% real growth rate exceeded that of the U.S. Expectations are for moderate growth in 2002 as a global recovery begins with strong growth returning in 2003.

EXCHANGE RATE. Canadian travelers are among the most sensitive to exchange rate fluctuations. The decline of the Canadian dollar relative to the US dollar has dampened demand for travel to the U.S. As of mid-2002, the exchange rate had improved from the first of the year to approximately US$0.65. The fact that the Canadian dollar failed to significantly appreciate against the U.S. dollar while the Canadian economy outpaced the U.S. economy does not bode well for sustained strengthening of the Canadian dollar. Most analysts expect the Canadian dollar to appreciate slightly in the coming year, but anticipate that it will remain below $0.70. Despite difficulty with the exchange rate, Canadian travelers will still travel to U.S. destinations if they perceive the value to be high.

LANGUAGE RESOURCES. No specific language resources are necessary.

TECHNOLOGY APTITUDE. Canada is among the leaders in Internet usage, with over 40% of the population reportedly online. Access costs remain low, even compared to the U.S. and economic prosperity has made technology available to large numbers of consumers. Similarly, indicators suggest that more than a third of Canadian households own a computer. However, mobile telephones are not as popular in Canada as elsewhere, although the number of phones relative to the population remains on par with other countries such as Germany and France.

SEASONS & SEGMENTS. Canadian travelers most commonly visit Utah during the first and third quarters of the year, although visitation is fairly evenly distributed year round. However, ***visitation patterns from nearby destinations such as Las Vegas and Arizona suggest that visitation is significantly higher during the winter months than during other times of the year***. Utah's traditional strengths in the Canadian market have been auto travelers from the western provinces of Alberta and British Columbia. Leisure travel represents approximately 80% of Canadian visitation to Utah, including a sizeable segment that travel to visit friends and relatives (20%). An opportunity may exist to attract larger numbers of visitors from Eastern Canada, who are frequent visitors to both Arizona and Las Vegas.

HISTORIC VISITATION. Canada represents the single largest International market for both the U.S. and Utah. Although the U.S. attracts nearly ¾ of long haul Canadian travelers, visitation has declined for much of the past decade, largely a result of disadvantageous exchange rates and a shift away from the U.S. towards other destinations In Europe, Mexico, the Caribbean, and Asia that offer new attractions and better value. Visitation patterns to Utah have closely mirrored that of the U.S., although the declines have been relatively less significant in Utah than in the U.S. In each year since 1992, Utah has attracted between 120 and 150 thousand Canadian visitors.

SOCIAL & POLITICAL FACTORS. The shift away from intercontinental travel following September 11th should focus demand back on the United States. The familiarity of the U.S. market to the Canadian consumer should help restore confidence in travel to the U.S. However, concerns about safety remain in place. Consider the following warning from the Canadian government regarding travel within the U.S.: "Attacks on tourists have decreased, but violent crime remains a serious concern. Criminals have demonstrated that they will use violence with little or no provocation… never start a journey by car unless you know the precise route… remain on well-traveled and well-lit streets and highways… restrict driving to daylight hours."

OLYMPIC INTEREST. Canadian broadcasters reported record ratings during the Salt Lake Games, boosted by the attention of the pairs figure skating controversy and the success of the Canadian hockey teams. Results from television broadcasters suggest nearly 90% of the total Canadian population (roughly 28 million people) watched the Salt Lake City Olympics. Further research indicates that on average, each television viewer watched just over 19 hours of Olympic broadcast. With a favorable broadcast schedule and success in figure skating, speed skating, curling and especially ice hockey, the attention of Canadians on the Games was very strong. Interest in winter sports is high in Canada, as evidenced by its 96 Winter Olympic medals since 1924 (including 17 in Salt Lake City). What is less clear, however, is the likelihood of Canadians to travel to participate in winter sports rather than the usual winter sun destinations.

DISTRIBUTION INFRASTRUCTURE. Access to Utah from Canada is easier than from any other international market. In addition to the convenient highway system that makes drive traffic possible, the Salt Lake International Airport offers four scheduled direct, non-stop flights to Canada (Calgary and Vancouver). By contrast, McCarran International Airport in Las Vegas offers eight scheduled direct non-stop flights (Toronto, Vancouver and Calgary) and 12 charter flights (Toronto, Vancouver, Calgary, Edmonton, and Winnipeg). The charter flights are increased during winter months adding as many as 10 additional flights. America West also recently added direct nonstop service from Toronto to Phoenix, in addition to existing service from Vancouver and Calgary. Air Canada also operates direct nonstop routes to Phoenix.

UTAH VISITORS FROM CANADA SUMMARY - 1999/2000

Utah Division of Travel Development

DEMOGRAPHICS

AGE (years)	
18-34 Years	20%
35-54 Years	32%
55+ Years	42%
Not Answered	5%

GENDER	
Men	50%
Women	45%
Not Answered	5%

PROVINCE OF RESIDENCE	
Eastern Provinces	***18%***
Ontario	16%
Prairie Provinces	***12%***
Saskatchewan	8%
Manitoba	4%
Western Provinces	***70%***
Alberta	51%
British Columbia	19%

PARTY COMPOSITION	
Alone	14%
2 Adults	42%
3+ Adults	25%
Adult(s) w/ Children	14%
Not Answered	5%

TRAVELING PARTY SIZE	
Avg. Travel Party (mean)	2.2
1 Person	16%
2 Persons	44%
3-4 Persons	23%
5-9 Persons	12%
10+ Persons	5%

TRAVEL PATTERNS

QUARTER OF VISIT	
January - March	29%
April - June	24%
July - September	28%
October - December	20%

LENGTH OF STAY	
1 Night	35%
2 Nights	20%
3-6 Nights	23%
7+ Nights	22%
Avg. Length of Stay (Nights)	3.61

TRANSPORTATION	
Auto	65%
Plane	30%
Other	5%

ACCOMMODATION	
Hotel/Motel Only	48%
Private Home	12%
Combination of 2+ Types	11%
Camping	9%
Other	2%
None Reported	17%

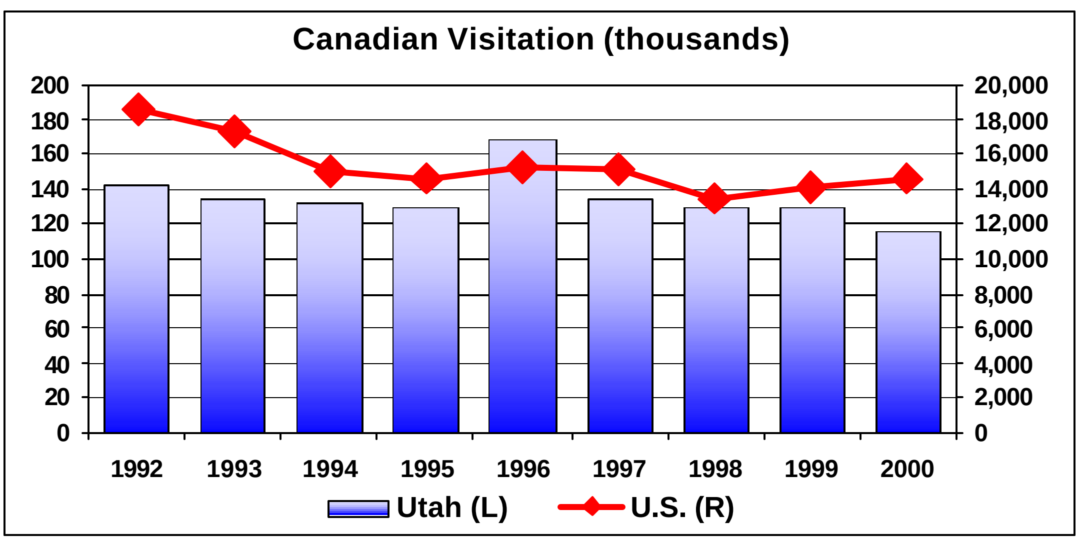
PURPOSE/ACTIVITIES

PURPOSE OF TRIP	
Leisure & VFR	80%
Holiday/Vacation	52%
Visit Friends/Relatives	20%
Other Leisure	10%
Business & Convention	20%
Convention/Conference	6%
Meetings	5%
Other Work	4%
Other Personal	5%

TRIP SPENDING	
Less than $199	30%
$200-$499	29%
$500-$999	18%
$1,000-$1,999	12%
$2,000+	12%
Avg. Trip Spending	$310
Avg. Daily Spending	$85

PERFORMANCE	
Annual Overnight Visitors (000s)	122.6
Total Annual Spending (millions)	$45.8

*SOURCE: Statistics Canada, *International Travel Survey*: Canadian Residents - 1999/2000



SOURCE: Statistics Canada